

Elit Shapleigh
M. Kelley
By: barrientos
Zaffini
SENATE
Car Money
WST
Truman

S.J.R. No. 16

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the issuance of
2 general obligation bonds to finance educational loans to students.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article III, Texas Constitution, is amended by
5 adding Section 50b-5 to read as follows:

6 Sec. 50b-5. (a) The legislature by general law may
7 authorize the Texas Higher Education Coordinating Board or its
8 successor or successors to issue and sell general obligation bonds
9 of the State of Texas in an amount not to exceed \$400 million to
10 finance educational loans to students. The bonds are in addition
11 to those bonds issued under Sections 50b, 50b-1, 50b-2, 50b-3, and
12 50b-4 of this article.

13 (b) The bonds shall be executed in the form, on the terms,
14 and in the denominations, bear interest, and be issued in
15 installments as prescribed by the Texas Higher Education
16 Coordinating Board or its successor or successors.

17 (c) The maximum net effective interest rate to be borne by
18 bonds issued under this section may not exceed the maximum provided
19 by law.

20 (d) The legislature may provide for the investment of bond
21 proceeds and may establish and provide for the investment of an
22 interest and sinking fund to pay the bonds. Income from the
23 investment shall be used for the purposes prescribed by the
24 legislature.

replaced by
House Sub

4-1-99

4-8-99

4-8-99

1 (e) While any of the bonds issued under this section or
2 interest on the bonds is outstanding and unpaid, there is
3 appropriated out of the first money coming into the treasury in
4 each fiscal year, not otherwise appropriated by this constitution,
5 the amount sufficient to pay the principal of and interest on the
6 bonds that mature or become due during the fiscal year, less any
7 amount in an interest and sinking fund established under this
8 section at the end of the preceding fiscal year that is pledged to
9 the payment of the bonds or interest.

10 (f) Bonds issued under this section, after approval by the
11 attorney general, registration by the comptroller of public
12 accounts, and delivery to the purchasers, are incontestable.

13 SECTION 2. This proposed constitutional amendment shall be
14 submitted to the voters at an election to be held on the earlier of
15 the first date on which another election on a constitutional
16 amendment proposed by the 76th Legislature, Regular Session, 1999,
17 is held or November 2, 1999. The ballot shall be printed to permit
18 voting for or against the proposition: "The constitutional
19 amendment providing for the issuance of \$400 million in general
20 obligation bonds to finance educational loans to students."

BILL ANALYSIS

Senate Research Center
76R3876 CAG-D

S.J.R. 16
By: Barrientos
Higher Education
3/11/1999
As Filed

DIGEST

Currently, about 16,000 low and moderate income Texas students depend on the Hinson-Hazelwood College Student Loan program, established in 1965, to finance their education. Without additional bonding authority, the loan volume will be drastically reduced. The Texas Constitution does not have provisions for the sale of general obligation bonds for the purpose of helping to finance educational loans to students. This amendment creates provisions for the issuance of such bonds.

PURPOSE

As proposed, S.J.R. 16 requires the submission to the voters of a constitutional amendment to authorize the Texas Higher Education Coordinating Board to create a general obligation bond to finance educational loans for students.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50b-5, as follows:

Sec. 50b-5. Authorizes the legislature by general law to authorize the Texas Higher Education Coordinating Board (THECB) to sell general obligation bonds, not to exceed \$400 million, to finance educational loans to students. Provides that these new obligation bonds are in addition to bonds issued under other sections of this article. Requires the bonds to be executed and issued in installments as prescribed by the THECB or its successors. Prohibits the bond maximum net effective interest rate from exceeding the maximum provided by law. Authorizes the legislature to provide for the investment of bond proceeds, and to provide for the investment of an interest and sinking fund to pay the bonds. Requires income from the investment to be used for legislature-prescribed purposes. Sets forth provisions regarding the payment of interest and principal on maturing bonds. Provides that bonds issued under this section are incontestable, after certain actions are taken.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 76th Legislature is held, or November 2, 1999. Sets forth required language of for the ballot.

1-1 By: Barrientos

S.J.R. No. 16

1-2 (In the Senate - Filed January 19, 1999; February 1, 1999,
1-3 read first time and referred to Committee on Education;
1-4 April 6, 1999, reported favorably by the following vote: Yeas 8,
1-5 Nays 0; April 6, 1999, sent to printer.)

1-6 SENATE JOINT RESOLUTION

1-7 proposing a constitutional amendment providing for the issuance of
1-8 general obligation bonds to finance educational loans to students.

1-9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Article III, Texas Constitution, is amended by
1-11 adding Section 50b-5 to read as follows:

1-12 Sec. 50b-5. (a) The legislature by general law may
1-13 authorize the Texas Higher Education Coordinating Board or its
1-14 successor or successors to issue and sell general obligation bonds
1-15 of the State of Texas in an amount not to exceed \$400 million to
1-16 finance educational loans to students. The bonds are in addition
1-17 to those bonds issued under Sections 50b, 50b-1, 50b-2, 50b-3, and
1-18 50b-4 of this article.

1-19 (b) The bonds shall be executed in the form, on the terms,
1-20 and in the denominations, bear interest, and be issued in
1-21 installments as prescribed by the Texas Higher Education
1-22 Coordinating Board or its successor or successors.

1-23 (c) The maximum net effective interest rate to be borne by
1-24 bonds issued under this section may not exceed the maximum provided
1-25 by law.

1-26 (d) The legislature may provide for the investment of bond
1-27 proceeds and may establish and provide for the investment of an
1-28 interest and sinking fund to pay the bonds. Income from the
1-29 investment shall be used for the purposes prescribed by the
1-30 legislature.

1-31 (e) While any of the bonds issued under this section or
1-32 interest on the bonds is outstanding and unpaid, there is
1-33 appropriated out of the first money coming into the treasury in
1-34 each fiscal year, not otherwise appropriated by this constitution,
1-35 the amount sufficient to pay the principal of and interest on the
1-36 bonds that mature or become due during the fiscal year, less any
1-37 amount in an interest and sinking fund established under this
1-38 section at the end of the preceding fiscal year that is pledged to
1-39 the payment of the bonds or interest.

1-40 (f) Bonds issued under this section, after approval by the
1-41 attorney general, registration by the comptroller of public
1-42 accounts, and delivery to the purchasers, are incontestable.

1-43 SECTION 2. This proposed constitutional amendment shall be
1-44 submitted to the voters at an election to be held on the earlier of
1-45 the first date on which another election on a constitutional
1-46 amendment proposed by the 76th Legislature, Regular Session, 1999,
1-47 is held or November 2, 1999. The ballot shall be printed to permit
1-48 voting for or against the proposition: "The constitutional
1-49 amendment providing for the issuance of \$400 million in general
1-50 obligation bonds to finance educational loans to students."

1-51 * * * * *

FAVORABLE
SENATE COMMITTEE REPORT ON

SB SCR SJR SR HB HCR HJR 16
By BARRIENTOS
(Author/Senate Sponsor)
4/6/99
(date)

Sir:

We, your Committee on EDUCATION, to which was referred the attached measure,
have on 3/31/99, had the same under consideration and I am instructed to report it
(date of hearing)
back with the recommendation (s) that it:

- ☒ do pass and be printed
☐ do pass and be ordered not printed
☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☒ yes ☐ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Bivins, Chairman	<input checked="" type="checkbox"/>			
Senator Luna, Vice-Chairman			<input checked="" type="checkbox"/>	
Senator Cain	<input checked="" type="checkbox"/>			
Senator Nelson	<input checked="" type="checkbox"/>			
Senator Ogden	<input checked="" type="checkbox"/>			
Senator Ratliff	<input checked="" type="checkbox"/>			
Senator Sibley	<input checked="" type="checkbox"/>			
Senator West	<input checked="" type="checkbox"/>			
Senator Zaffirini	<input checked="" type="checkbox"/>			
TOTAL VOTES	<u>8</u>	<u>0</u>	<u>1</u>	<u>0</u>

COMMITTEE ACTION

S260 Considered in public hearing
S270 Testimony taken
Henry J. J. J. J.
COMMITTEE CLERK

B. J. J.
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill
Retain one copy of this form for Committee files

WITNESS LIST

SJR 16
SENATE COMMITTEE REPORT
Subcommittee on Higher Education Committee

March 15, 1999 - 2:00P

For: Otto, Brad (Self), Seguin

On: Brown, Don (Tx. Higher Ed. Coord. Board), Austin

BILL ANALYSIS

Senate Research Center
76R3876 CAG-D

S.J.R. 16
By: Barrientos
Higher Education
3/11/1999
As Filed

DIGEST

Currently, about 16,000 low and moderate income Texas students depend on the Hinson-Hazelwood College Student Loan program, established in 1965, to finance their education. Without additional bonding authority, the loan volume will be drastically reduced. The Texas Constitution does not have provisions for the sale of general obligation bonds for the purpose of helping to finance educational loans to students. This amendment creates provisions for the issuance of such bonds.

PURPOSE

As proposed, S.J.R. 16 requires the submission to the voters of a constitutional amendment to authorize the Texas Higher Education Coordinating Board to create a general obligation bond to finance educational loans for students.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50b-5, as follows:

Sec. 50b-5. Authorizes the legislature by general law to authorize the Texas Higher Education Coordinating Board (THECB) to sell general obligation bonds, not to exceed \$400 million, to finance educational loans to students. Provides that these new obligation bonds are in addition to bonds issued under other sections of this article. Requires the bonds to be executed and issued in installments as prescribed by the THECB or its successors. Prohibits the bond maximum net effective interest rate from exceeding the maximum provided by law. Authorizes the legislature to provide for the investment of bond proceeds, and to provide for the investment of an interest and sinking fund to pay the bonds. Requires income from the investment to be used for legislature-prescribed purposes. Sets forth provisions regarding the payment of interest and principal on maturing bonds. Provides that bonds issued under this section are incontestable, after certain actions are taken.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 76th Legislature is held, or November 2, 1999. Sets forth required language of for the ballot.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

March 15, 1999

TO: Honorable Royce West, Chair, Senate Subcommittee on Higher Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: **SJR16** by Barrientos (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$76,352.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 781 Higher Education Coordinating Board

LBB Staff: JK, CT, LD

LEGISLATIVE BUDGET BOARD

Higher Education Impact Statement

March 14, 1999

TO: Honorable Royce West, Chair
Subcommittee on Higher Education
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 16
By: Barrientos

FROM: John Keel, Director

In response to your request for a Higher Education Impact Statement on SJR16 (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students) this office has determined the following:

No impact on the classification, mission, governance structure or establishment of an institution of higher education is anticipated from any of the provisions of this bill.

April 8 19 99 Engrossed
A. J. J. J.
Engrossing Clerk

By: Barrientos, et al.

S.J.R. No. 16

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment providing for the issuance of
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3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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7 authorize the Texas Higher Education Coordinating Board or its
8 successor or successors to issue and sell general obligation bonds
9 of the State of Texas in an amount not to exceed \$400 million to
10 finance educational loans to students. The bonds are in addition
11 to those bonds issued under Sections 50b, 50b-1, 50b-2, 50b-3, and
12 50b-4 of this article.

13 (b) The bonds shall be executed in the form, on the terms,
14 and in the denominations, bear interest, and be issued in
15 installments as prescribed by the Texas Higher Education
16 Coordinating Board or its successor or successors.

17 (c) The maximum net effective interest rate to be borne by
18 bonds issued under this section may not exceed the maximum provided
19 by law.

20 (d) The legislature may provide for the investment of bond
21 proceeds and may establish and provide for the investment of an
22 interest and sinking fund to pay the bonds. Income from the
23 investment shall be used for the purposes prescribed by the
24 legislature.

25 (e) While any of the bonds issued under this section or

1 interest on the bonds is outstanding and unpaid, there is
2 appropriated out of the first money coming into the treasury in
3 each fiscal year, not otherwise appropriated by this constitution,
4 the amount sufficient to pay the principal of and interest on the
5 bonds that mature or become due during the fiscal year, less any
6 amount in an interest and sinking fund established under this
7 section at the end of the preceding fiscal year that is pledged to
8 the payment of the bonds or interest.

9 (f) Bonds issued under this section, after approval by the
10 attorney general, registration by the comptroller of public
11 accounts, and delivery to the purchasers, are incontestable.

12 SECTION 2. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held on the earlier of
14 the first date on which another election on a constitutional
15 amendment proposed by the 76th Legislature, Regular Session, 1999,
16 is held or November 2, 1999. The ballot shall be printed to permit
17 voting for or against the proposition: "The constitutional
18 amendment providing for the issuance of \$400 million in general
19 obligation bonds to finance educational loans to students."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

March 15, 1999

TO: Honorable Royce West, Chair, Senate Subcommittee on Higher Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: SJR16 by Barrientos (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$76,352.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 781 Higher Education Coordinating Board
LBB Staff: JK, CT, LD

LEGISLATIVE BUDGET BOARD

Higher Education Impact Statement

March 14, 1999

TO: Honorable Royce West, Chair
Subcommittee on Higher Education
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 16
By: Barrientos

FROM: John Keel, Director

In response to your request for a Higher Education Impact Statement on SJR16 (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students) this office has determined the following:

No impact on the classification, mission, governance structure or establishment of an institution of higher education is anticipated from any of the provisions of this bill.

HOUSE COMMITTEE REPORT

1st Printing

By Barrientos, et al.
(Hunter)

S.J.R. No. 16

Substitute the following for S.J.R. No. 16:

By Averitt

C.S.S.J.R. No. 16

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the issuance of
2 general obligation bonds to finance educational loans to students.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article III, Texas Constitution, is amended by
5 adding Section 50b-5 to read as follows:

6 Sec. 50b-5. ADDITIONAL STUDENT LOANS. (a) The legislature
7 by general law may authorize the Texas Higher Education
8 Coordinating Board or its successor or successors to issue and sell
9 general obligation bonds of the State of Texas in an amount not to
10 exceed \$400 million to finance educational loans to students. The
11 bonds are in addition to those bonds issued under Sections 50b,
12 50b-1, 50b-2, 50b-3, and 50b-4 of this article.

13 (b) The bonds shall be executed in the form, on the terms,
14 and in the denominations, bear interest, and be issued in
15 installments as prescribed by the Texas Higher Education
16 Coordinating Board or its successor or successors.

17 (c) The maximum net effective interest rate to be borne by
18 bonds issued under this section may not exceed the maximum rate
19 provided by law.

20 (d) The legislature may provide for the investment of bond
21 proceeds and may establish and provide for the investment of an
22 interest and sinking fund to pay the bonds. Income from the
23 investment shall be used for the purposes prescribed by the
24 legislature.

1 (e) While any of the bonds issued under this section or
2 interest on the bonds is outstanding and unpaid, there is
3 appropriated out of the first money coming into the treasury in
4 each fiscal year, not otherwise appropriated by this constitution,
5 the amount sufficient to pay the principal of and interest on the
6 bonds that mature or become due during the fiscal year, less any
7 amount in an interest and sinking fund established under this
8 section at the end of the preceding fiscal year that is pledged to
9 the payment of the bonds or interest.

10 (f) Bonds issued under this section, after approval by the
11 attorney general, registration by the comptroller of public
12 accounts, and delivery to the purchasers, are incontestable.

13 SECTION 2. This proposed constitutional amendment shall be
14 submitted to the voters at an election to be held on the earlier of
15 the first date on which another election on a constitutional
16 amendment proposed by the 76th Legislature, Regular Session, 1999,
17 is held or November 2, 1999. The ballot shall be printed to permit
18 voting for or against the proposition: "The constitutional
19 amendment providing for the issuance of \$400 million in general
20 obligation bonds to finance educational loans to students."

COMMITTEE REPORT

The Honorable James E. "Pete" Laney
Speaker of the House of Representatives

4/19/99
(date)

Sir:

We, your COMMITTEE ON FINANCIAL INSTITUTIONS

to whom was referred SJR 16 have had the same under consideration and beg to report back with the recommendation that it

- () do pass, without amendment.
- () do pass, with amendment(s).
- (X) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
- (X) yes () no A fiscal note was requested.
- () yes (X) no A criminal justice policy impact statement was requested.
- () yes (X) no An equalized educational funding impact statement was requested.
- () yes (X) no An actuarial analysis was requested.
- () yes (X) no A water development policy impact statement was requested.
- () yes (X) no A tax equity note was requested.
- () The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor HUNTER

Joint Sponsors: / / /

Co-Sponsors:

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Averitt, Chair	X			
Solomons, Vice-chair	X			
Denny				X
Ehrhardt				X
Elkins	X			
Grusendorf	X			
Marchant	X			
Pitts				X
Solis, Juan	X			

Total
6 aye
0 nay
0 present, not voting
3 absent

CHAIR 160 Averitt

BILL ANALYSIS

Office of House Bill Analysis

C.S.S.J.R. 16
By: Barrientos
Financial Institutions
4/22/1999
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Hinson-Hazelwood College Student Loan program was established in 1965 to provide loans to low and moderate income students. The purpose of this resolution is to extend funding for the program for the next six years through general obligation bonds.

C.S.S.J.R. 16 proposes to authorize the legislature to provide for the investment of bond proceeds and to establish and provide for the investment of an interest and sinking fund to pay the bonds. In addition, it requires income from the investment to be used for the purposes prescribed by the legislature. As proposed, C.S.S.J.R. 16 requires the submission to the voters of a constitutional amendment authorizing the legislature by general law to authorize the Texas Higher Education Coordinating Board or its successor or successors to issue and sell general obligation bonds of the State of Texas in an amount not to exceed \$400 million to finance educational loans to students.

RULEMAKING AUTHORITY

It is the opinion of the Office of House Bill Analysis that this bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50b-5, as follows:

Sec. 50b-5. ADDITIONAL STUDENT LOANS. (a) Authorizes the legislature by general law to authorize the Texas Higher Education Coordinating Board or its successor or successors (board) to issue and sell general obligation bonds of the State of Texas in an amount not to exceed \$400 million to finance educational loans to students. Provides that these bonds are in addition to those bonds issued under Sections 50b, 50b-1, 50b-2, 50b-3, and 50b-4 (relating to student loans and additional student loans) of this article.

(b) Requires the bonds to be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments as prescribed by the board.

(c) Prohibits the maximum net effective interest rate to be borne by bonds issued under this section from exceeding the maximum rate provided by law.

(d) Authorizes the legislature to provide for the investment of bond proceeds and to establish and provide for the investment of an interest and sinking fund to pay the bonds. Requires income from the investment to be used for the purposes prescribed by the legislature.

(e) Provides that, while any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Specifies that bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 2, 1999. Sets forth the required language for the ballot.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original bill in SECTION 1 by adding the title "ADDITIONAL STUDENT LOANS" for proposed Section 50b-5 in the original bill.

The substitute modifies the original bill in SECTION 1 (proposed Section 50b-5(c)) by clarifying that the maximum net effective interest rate is prohibited from exceeding the maximum rate provided by law, rather than the maximum provided by law.

SUMMARY OF COMMITTEE ACTION

SJR 16

April 19, 1999 3:00PM

Considered in public hearing

Committee substitute considered in committee

Reported favorably as substituted

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

April 21, 1999

TO: Honorable Kip Averitt, Chair, House Committee on Financial Institutions

FROM: John Keel, Director, Legislative Budget Board

IN RE: **SJR16** by Barrientos (proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$76,352.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 781 Higher Education Coordinating Board

LBB Staff: JK, TH, CT, LD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

March 15, 1999

TO: Honorable Royce West, Chair, Senate Subcommittee on Higher Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: SJR16 by Barrientos (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students), **As Introduced**

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Local Government Impact

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Source Agencies: 352 Bond Review Board, 781 Higher Education Coordinating Board
LBB Staff: JK, CT, LD

LEGISLATIVE BUDGET BOARD

Higher Education Impact Statement

March 14, 1999

TO: Honorable Royce West, Chair
Subcommittee on Higher Education
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 16
By: Barrientos

FROM: John Keel, Director

In response to your request for a Higher Education Impact Statement on SJR16 (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students) this office has determined the following:

No impact on the classification, mission, governance structure or establishment of an institution of higher education is anticipated from any of the provisions of this bill.

ADOPTED

SEP 10 1999

George B. Borden
Speaker
1999

By Barrimentos
Substitute the following for S.J.R. No. 16 :
By AVERITT

S.J.R. No. 16

C.S. S.J.R. No. 16

SENATE

A JOINT RESOLUTION

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BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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(b) The bonds shall be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments as prescribed by the Texas Higher Education Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section may not exceed the maximum rate provided by law.

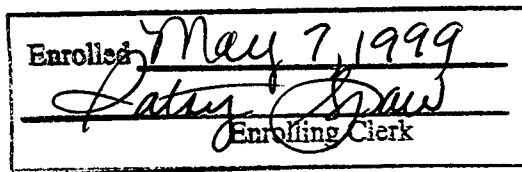
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House Sub.
5-7-99
TM
CO

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2 interest on the bonds is outstanding and unpaid, there is
3 appropriated out of the first money coming into the treasury in
4 each fiscal year, not otherwise appropriated by this constitution,
5 the amount sufficient to pay the principal of and interest on the
6 bonds that mature or become due during the fiscal year, less any
7 amount in an interest and sinking fund established under this
8 section at the end of the preceding fiscal year that is pledged to
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5 adding Section 50b-5 to read as follows:

6 Sec. 50b-5. ADDITIONAL STUDENT LOANS. (a) The legislature
7 by general law may authorize the Texas Higher Education
8 Coordinating Board or its successor or successors to issue and sell
9 general obligation bonds of the State of Texas in an amount not to
10 exceed \$400 million to finance educational loans to students. The
11 bonds are in addition to those bonds issued under Sections 50b,
12 50b-1, 50b-2, 50b-3, and 50b-4 of this article.

13 (b) The bonds shall be executed in the form, on the terms,
14 and in the denominations, bear interest, and be issued in
15 installments as prescribed by the Texas Higher Education
16 Coordinating Board or its successor or successors.

17 (c) The maximum net effective interest rate to be borne by
18 bonds issued under this section may not exceed the maximum rate
19 provided by law.

20 (d) The legislature may provide for the investment of bond
21 proceeds and may establish and provide for the investment of an
22 interest and sinking fund to pay the bonds. Income from the
23 investment shall be used for the purposes prescribed by the
24 legislature.

25 (e) While any of the bonds issued under this section or

1 interest on the bonds is outstanding and unpaid, there is
2 appropriated out of the first money coming into the treasury in
3 each fiscal year, not otherwise appropriated by this constitution,
4 the amount sufficient to pay the principal of and interest on the
5 bonds that mature or become due during the fiscal year, less any
6 amount in an interest and sinking fund established under this
7 section at the end of the preceding fiscal year that is pledged to
8 the payment of the bonds or interest.

9 (f) Bonds issued under this section, after approval by the
10 attorney general, registration by the comptroller of public
11 accounts, and delivery to the purchasers, are incontestable.

12 SECTION 2. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held on the earlier of
14 the first date on which another election on a constitutional
15 amendment proposed by the 76th Legislature, Regular Session, 1999,
16 is held or November 2, 1999. The ballot shall be printed to permit
17 voting for or against the proposition: "The constitutional
18 amendment providing for the issuance of \$400 million in general
19 obligation bonds to finance educational loans to students."

S.J.R. No. 16

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 16 was adopted by the Senate on April 8, 1999, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 7, 1999, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 16 was adopted by the House, with amendment, on May 5, 1999, by the following vote: Yeas 145, Nays 0, two present not voting.

Chief Clerk of the House

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

April 21, 1999

TO: Honorable Kip Averitt, Chair, House Committee on Financial Institutions

FROM: John Keel, Director, Legislative Budget Board

IN RE: **SJR16** by Barrientos (proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$76,352.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 781 Higher Education Coordinating Board

LBB Staff: JK, TH, CT, LD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

March 15, 1999

TO: Honorable Royce West, Chair, Senate Subcommittee on Higher Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: SJR16 by Barrientos (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$76,352.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 781 Higher Education Coordinating Board
LBB Staff: JK, CT, LD

LEGISLATIVE BUDGET BOARD

Higher Education Impact Statement

March 14, 1999

TO: Honorable Royce West, Chair
Subcommittee on Higher Education
Senate
Austin, Texas

IN RE: Senate Joint Resolution
No. 16
By: Barrientos

FROM: John Keel, Director

In response to your request for a Higher Education Impact Statement on SJR16 (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students) this office has determined the following:

No impact on the classification, mission, governance structure or establishment of an institution of higher education is anticipated from any of the provisions of this bill.

 President of the Senate

 Speaker of the House

I hereby certify that S.J.R. No. 16 was adopted by the Senate on April 8, 1999, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 7, 1999, by the following vote: Yeas 30, Nays 0.

 Secretary of the Senate

I hereby certify that S.J.R. No. 16 was adopted by the House ^{, with amendment,} on May 5, 1999, by the following vote: Yeas 145, Nays 0, two present not voting.

 Chief Clerk of the House

S.J.R. No. 16

By Barrientes Trujillo

Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance educational loans to students.

JAN 19 1999

Filed with the Secretary of the Senate

**SUBCOMMITTEE ON
HIGHER EDUCATION**

FEB 01 1999

Read and referred to Committee on _____

APR 06 1999

Reported favorably _____

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

APR 08 1999

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

 yeas, nays

APR 08 1999

Read second time, _____, and ordered engrossed by:

unanimous consent

a viva voce vote

 yeas, nays

APR 08 1999

Senate and Constitutional 3 Day Rule suspended by a vote of 29 yeas, 1 nays.

APR 08 1999

Read third time, _____, and passed by: 30 yeas, 0 nays

Betty King

SECRETARY OF THE SENATE

OTHER ACTION:

April 8, 1999

Engrossed

April 8, 1999

Sent to House

Engrossing Clerk

Patricia Graw

APR 12 1999

Received from the Senate

APR 12 1999

Read first time and referred to Committee on _____

Financial Institutions

APR 19 1999

Reported _____ favorably (~~as amended~~) (as substituted)

APR 26 1999

Sent to Committee on Calendars

MAY 05 1999

Read second time (comm. subst.) (~~amended~~) and adopted (~~passed to third reading~~) by a

~~record vote of~~ 145 yeas, 0 nays, 2 present, not voting.

Read third time (amended) and finally adopted (failed of adoption) by a record vote of _____ yeas, _____ nays, _____ present, not voting

MAY 06 1999

Returned to Senate.

Sharon Carter

CHIEF CLERK OF THE HOUSE

Returned from House without amendment.

MAY 06 1999

Returned from House with 1 amendments.

MAY 07 1999

Concurred in House amendments by a viva voce vote 30 yeas, 0 nays.

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____, _____, _____, and _____

_____ House granted Senate request. House conferees appointed: _____, Chairman; _____, _____, _____

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by:

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
_____ yeas, _____ nays

APPROVED
J. E.